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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

June 27, 2002

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

~~CONFIDENTIAL~~ 24018
JUN 27 12 3-46 PM
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease, dated as of April 4, 2002 a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Railcar, Ltd.
1819 Peachtree Rd. N.E.
Suite 425
Atlanta, GA 30309-1847]

Lessee: Canadian National Railway Company
935 de la Gauchetiere Street West
Montreal, Quebec
Canada H3B 2M9

A description of the railroad equipment covered by the enclosed document is:

35 railcars bearing SLGG reporting marks and road numbers

Mr. Vernon A. Williams
June 27, 2002
Page Two

A short summary of the document to appear in the index follows:

Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', written in a cursive style.

Robert W. Alvord

RWA/anr
Enclosures

RECORDING NO. 24018 FILED

JUN 27 '02

3-46 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE

1. Pursuant to that certain Master Lease Agreement dated as of June 1, 1998, and the related Schedule No. 11 dated as of April 4, 2002 (collectively, the "Lease Agreement"), between Progress Rail Services Corporation d/b/a Progress Rail Canada, as Lessor, and Canadian National Railway Company, as Lessee, Lessor has leased to Lessee the railroad cars identified on the exhibit attached hereto and entitled "Description of Railcars" (the "Cars"). Said lease of the Cars is referred to hereinafter as the "Lease".

2. The addresses of the parties are as follows:

Lessor: Railcar, Ltd.
1819 Peachtree Road, N.E., Suite 425
Atlanta, Georgia 30309-1847
Attn: Contract Administration

Lessee: Canadian National Railway Company
935 de La Gauchetiere Street West
Montreal, Quebec
Canada H3BM9
Attn: Senior Manager – Asset Finance

3. The initial term of the Lease is three (3) months commencing on May 1, 2002, and is scheduled to end on July 31, 2002.

4. Upon expiration of the initial term, the Lease provides for automatic renewal on a month to month basis until either party provides advance written notice of termination.

5. The terms and provisions of the Lease are more particularly set forth in that certain Schedule No. 11 dated April 4, 2002, and that certain Master Lease Agreement dated June 1, 1998, which terms and conditions are incorporated herein by reference.

6. This Memorandum of Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same document, which may be evidenced by any such signed counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of the 18 day of June, 2002.

PROGRESS RAIL SERVICES CORPORATION
D/B/A PROGRESS RAIL CANADA

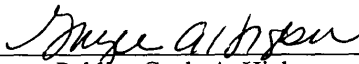
By: 

Name: James V. Smallwood

Title: Senior Vice President

State of Georgia, County of Fulton


On June 18, 2002, before me personally appeared James V. Smallwood, to me personally known, who being by me duly sworn says that he is Senior Vice President of Progress Rail Services Corporation, and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public: Gayle A. Higbee

My commission expires: May 29, 2003

CANADIAN NATIONAL RAILWAY COMPANY

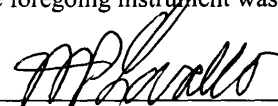
By: 

Name: FRANCIS LEMIEUX

Title: SR. DIRECTOR - CAR FLEET PLANNING

PROV. ALBERTA, CANADA

On JUNE 11, 2002, before me personally appeared FRANCIS LEMIEUX, to me personally known, who being by me duly sworn says that he is SR. DIR. - CAR FLEET PLANNING of Canadian National Railway Company and that he/she executed the foregoing instrument on behalf of said Company in his/her duly authorized capacity and on behalf of the Company, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.



Notary Public: _____

My commission expires: _____

[NOTARIAL SEAL]

MICHAEL PETER LOVALLO
C/O 19th FLOOR, 10004 - 104 AVENUE
EDMONTON, ALBERTA T5J 0K2
(780) 421-8808
NOTARY PUBLIC FOR ALBERTA
APPOINTMENT EXPIRES DEC. 31, 2003

DESCRIPTION OF LOCOMOTIVES/RAILCARS

This is Exhibit A to the Memorandum of Lease dated as of June 18, 2002, between Progress Rail Services Corporation d/b/a Progress Rail Canada, as Lessor, and Canadian National Railway Company, as Lessee.

Lessee: Canadian National Railway Company

Lessor: Progress Rail Services Corporation d/b/a Progress Rail Canada

Owner of Cars: Railcar, Ltd.

Quantity of Cars: thirty-five (35)

Description of Cars: 50', 110-ton, 286K, plate C boxcars with sliding doors

Car Marks and Numbers:

SLGG 11339
SLGG 11348
SLGG 11370-11391, inclusive
SLGG 11401-11403, inclusive
SLGG 11405
SLGG 11407
SLGG 11413
SLGG 11416-11418, inclusive
SLGG 11421
SLGG 11424